

HOW CAN THE INDUSTRY USE MODERN COMMUNICATIONS?

Communications was the key issue up for discussion as *CCR*, and sponsors VoiceSage, brought together key figures from the industry at a round-table debate last month. They were Neil Clyne, group chief executive officer, Cabot Credit Management (NC); Bill Flynn, general counsel, Capquest (BF); Simon Rawlings, head of collections, TalkTalk (SR); Steve Daws, UK compliance & business support director, Aktiv Kapital (SD); Jannie Vermeulen, head of credit risk, Capital Home Loans (JV); Steve Grima, operations director, dlc (SG); Mark Webb, managing director, Advantis Credit (MW); Dicky Davies, business development director, Lowell Group (DD); Ivan Lawrence, executive director, Marlin Financial Group (IL); Viv D'Souza, director – UK AR centre of excellence – EMEA, Huawei (VDS); Adam Wonnacott, director, Burlington Group (AW); Simon Hanlon, Kensington head of customer and asset management, Investec Bank (SH); Graham Brierton, chief technology officer, VoiceSage (GB); and Mark Oppermann, sales director, VoiceSage (MO).

How do you tie your different forms of communications together?

SH: We have to always remember that customers are individuals and a 'one-size-fits-all' contact strategy is not always appropriate. You have to try to get that information to know what is the best channel for those customers and how you can record that data. For example, in the mortgage industry you find customers who pay late every month, but they always pay. Contract strategies can be amended so you do not need to phone them at the start of each month and that, in turn that can release staff to concentrate on contacting customers who are in more need of assistance.

DD: Compliance and technology are key because it is relatively easy to analyse your traditional forms of communications,

but, as you move onto the web, to apps, and other forms of communications, where customers are making offers of payment, how do you make sure that your compliance is up to the mark?

SG: When you then talk about SMS, we have all used it to push a message to a customer, but the real challenge is trying to use it to engage with a customer in a conversation, and even reach some compromise and a payment agreement. This is where it becomes really difficult, and will perhaps not be suitable for customers whose debts are governed by the FCA or LSB codes.

GB: Something that we see emerging a lot – although not necessarily in the collections space – is this concept of 'total customer journey'. Having this single view of the customer 'from cradle

to grave' and not just seeing that a customer has fallen into the collections cycle, but realising that this was once a good customer and will, hopefully, be a good customer again. This can influence how you perceive them once they are in that collections cycle.

What is the role of social media as an educational channel and how much are you seeing the emergence of the 'intelligent defaulter'?

SH: Certainly, in the mortgage market, we have seen blogs pop up to share stories. We have seen situations where two separate customers are discussing the same complex issues. There is a lot more sharing of information out there for people who want to air issues.

NC: I had felt that these kinds of forum were diminishing. There were a lot of



L-R: Bill Flynn, Mark Webb, Simon Hanlon, Steve Grima

CCR

problems with poor advice, going back three or four years, but that washed through the system and, actually, now I see more evidence of good advice, which is not trying to catch us out, but trying to give people proper advice of how they can interact with us.

DD: The Debt Collection Guidance has also helped in terms of data provision and what information comes across with a debt sale.

How are you capturing the customer's preferred method and time of contact?

MO: It is interesting, when you are speaking with a whole range of different clients, that if you send a voice message, it will be received, and if you send an SMS, it will be received, but there is a hugely different result and the metrics that are driven from the different ways of contact. So the way that brings the best result, you could infer that is the preferred method because you have actually got most results from that.

Especially in the collections cycle, people will tell you one thing that you may not find you are actually going to get results from.

GB: I think that one of the issues that may hold you back is if, up front, you have a clearly declared preference for the method of contact, and you do that,

then from a compliance point of view, you are covered and your customer is happy.

But the thing about communications is that it is very temporal, so, today, e-mail is good, but later in the evening, the telephone is better. So there is an ebb and flow to this whole customer journey.

SD: The customer has the right to say 'do not call me' which is fine, we will write – but if they do not respond to any letters, then we can go back to the telephone. If you are getting a response from that preferred contact method and it is working, then that is fine. If there is a non-response or a failure of that communications method, then there are still a range of others to choose from, it is not an all-or-nothing situation.

JV: Sometimes we focus too much on the contact strategy and collections strategy and everything that goes around that, and we do not really engage with customers.

I see every customer as an individual and not as a strategy to say 'this group of customers has the same characteristics, from our database, so we will treat them in this way'. Within a group of, say, 100 customers, there are 100 unique individuals with unique circumstances.

VDS: In my previous role, which was in the retail sector, there were two huge issues, firstly that we had legacy

- Consumer round-table: ♦
- best use of communications
- Crisis for universities? ♦
- Overdue new lending rules ♦



customers that we brought on board at a time when you were not using SMS because the technology was not there. So the fundamental point is, first, how do we get that historical data and how do we do the analytics on the historical stuff and, secondly, with new customers coming on board you need to capture that information at source.

IL: Our 'collectors' are, in fact, 'account managers' because they are trying to understand their customers' situation and, from a cost-to-collect perspective, if we understand, then we may not have to make a call. Whether it is communication or conversation, it has to be two-way and it has to be building a relationship with that client, but we must do it efficiently and start things well.

MW: The challenge is engaging in the first instance. The people who do engage with us are generally sensible, grown-up people who want to have a conversation to sort their problems out. We will gather information >>





>> about how they want to be contacted and make sure that we can contact them again should we need to, but these follow-up contacts are a relatively low number. As an industry, we have realised that setting up affordable arrangements at the outset simply works and is better than chasing people for broken arrangements.

What is SMS useful for in a collections strategy?

SR: We use it at all steps now, at multiple activities. At primary activity, if that is not successful, we get the results straight back from the vendor saying if it has been delivered or not. For example, if we are sending a voicemail to just a broadband account, then it is not going to be delivered, so we get the non-delivery message back which enables us to go into a different activity on the same day. So we use all the activities within each step to try and truncate the path and get contact with the customer far earlier.

BF: The industry is moving from focusing on getting a share of wallet, to getting a share of attention. In this environment of social media, customers often do not want to have a personal interaction, they are used to having a non-personal interaction. So something that involves an IVR collection or 'I press a button and you collect' or 'I press a button and update my details' is preferable to some customers. Rather than speaking to someone, these customers choose to go online at their convenience because for them a person-to-person interaction is embarrassing and they may be asked questions they do not want to answer.

AW: We started using web chats as a lead generation tool and we have found that customers, whose accounts we are handling, are starting to try and engage with us through that method. So my next move is to push that as a method of communication that we can use to engage with customers.

What analytics can you use and how successful can you be in truly understanding what the consumer wants from you?

SG: I believe that analytics have an important role to play, not only in

understanding our existing customers' behaviour, but also in helping us to manage new customers, and deploying strategies that encourage those people to make contact. In trying to truly understand the DNA of our customer, analytics is pretty much embedded in everything we do.

IL: Analytics really is the nerve-centre of the business and that daily refresh to try and make sure that you learn from the things that you have done today, and do them better tomorrow, is crucial. It is no

The industry is moving from focusing on getting a share of wallet, to getting a share of attention

different than if you were, say, in the marketing department of a bank, you do test-and-control and learn from it and tomorrow is another test-and-control, so you are fine-tuning on a constant basis.

MW: For several years we have done analysis of the best time to call, but it is a moving piece because the best time to call varies between the portfolios that we receive. Analysis on the demographics of customers gives some indication of best time to call, however we also see this information change regularly.

Although this information is very valuable, it is important to continue to look for new ways to analyse the portfolios that we work. It is great to obtain additional telephone numbers but it costs a fortune to call them all, so understanding who to call when is vital for our business.

AW: It is about getting a share of attention, so you can spend major budgets on grabbing people's attention at the front end, but what everybody here is struggling with is how do you get their attention when there are so many competing creditors? Perhaps one side of the business could inform the other.

What role can social media play in the collections industry?

NC: We do very little monitoring of social media at the moment, but I can see that it will increase over time. You look at our children today, they are absolutely wedded to technology and

they give the most amazing amount of data out, completely unsolicited.

BF: We have to be careful how we use social media. There is definitely an opportunity to better understand customers' behaviour – where they say they are, what they say they are doing, if they say, for example, that they have a new job. And, as long as you are not masquerading as someone else, or trying to contact them in a misleading fashion, that information is in the public domain.

SR: There are people who will be in our 'won't pay' list who are volunteering any kind of information on Facebook or Twitter.

SD: If it is data that is in the public domain, which this is, you are not purporting to be anyone else, and you cover off all the other normal data protection requirements, then it is just information. So it is about how you get the information and how you verify that the person you are looking at is the person you are seeking.

JV: I do think that the 'Facebook generation' is coming through and, over time, social media will have its fingers in every pie in the world and that will include our industry.

Is technology the way communications in the industry is going?

MO: I do not think that it is one thing or another – it is about getting the right blend. And that blend will sometimes be a telephone call, sometimes a letter, sometimes a text, I do not think you can be prescriptive; it will change depending on the instance. And, actually, compliance could drive the technology standards to ask if people are actively looking for the preferred method of contact and then being more effective.

It could be one area where compliance will drive technology to drive the business outcome, so it will give a good business result, rather than just being the framework to operate within. **CCR**